



Office of  
Financial Management  
STATE OF WASHINGTON

# Activity Inventory Performance Measure Assessment

## Spokane Intercollegiate Research & Technology Institute (Sirti)

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**Agency Participants:**

Tim Williams

Based on a review of the following: The Sirti Strategic Plan, the Budget Activity Inventory, and a site visit with the agency participants

# Current Strengths and Good Practices

- Sirti's strategic plan contains many proposed outcome measures that could be meaningful budget activity measures.
- The language used in the activity measures is generally clear and understandable.

# Comments About the Budget Activity Measures

- The targets are truly “stretch” targets. There is no evidence Sirti currently has the capacity to achieve the indicated performance levels without substantive changes to one or more of the process components.
- The agency strategic plan proposes many outcome-based measures that are more appropriate as budget activity measures than the current selection. Any of the outcome measures from the diagram on page 9 would tell a better story of overall agency performance than the current output/process measures.

## Potential Improvements

- The OFM Budget Analyst and Sirti staff should work to select new budget activity measures from the list of outcome-based measures proposed in the Sirti Strategic Plan (See page 9).
- The current budget activity measures are better suited as internal management measures.

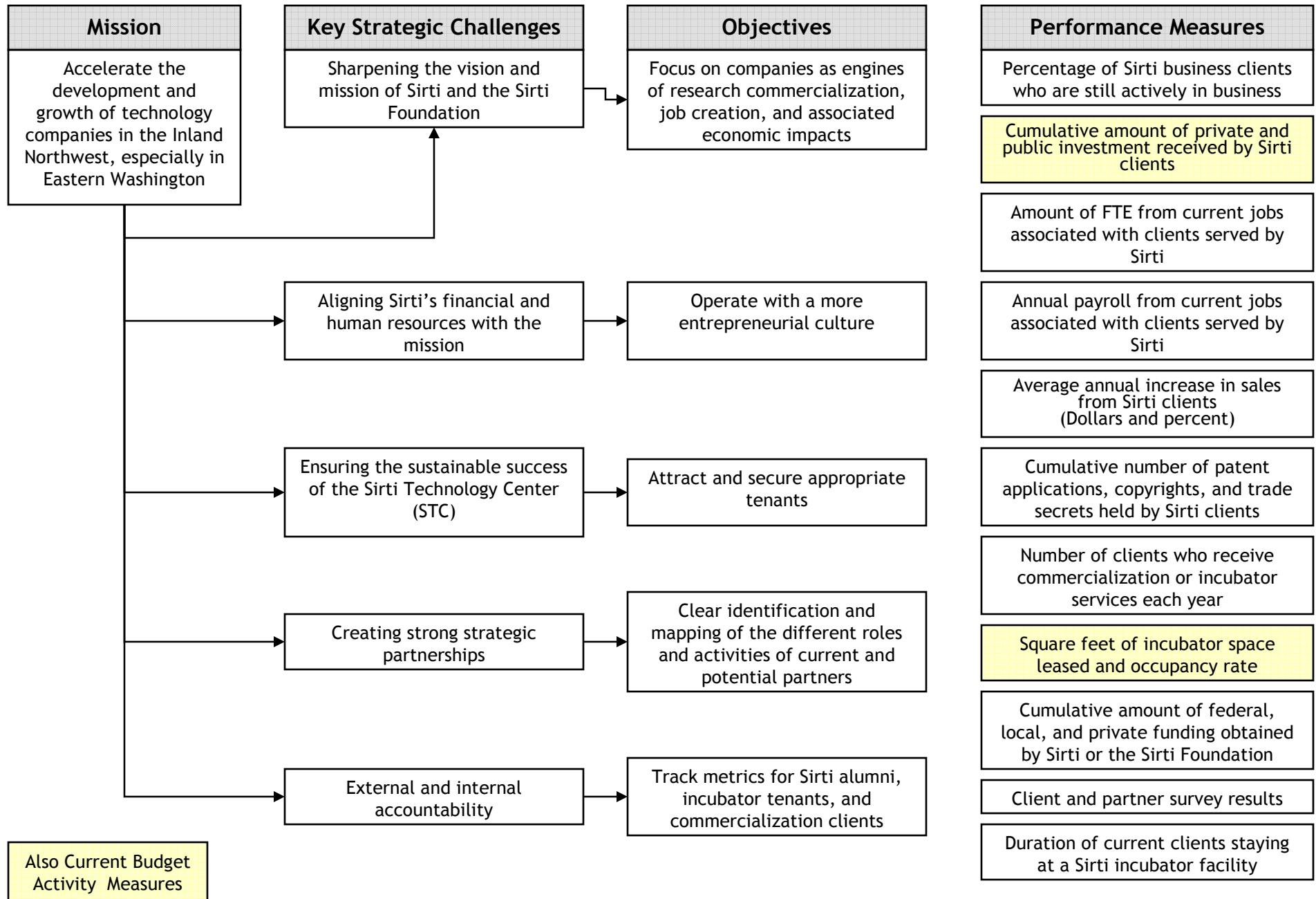
# Analysis of Current Activity Measure Data

- The lack of data history combined with infrequent data reporting cycles makes it impossible to do much data analysis in this assessment.

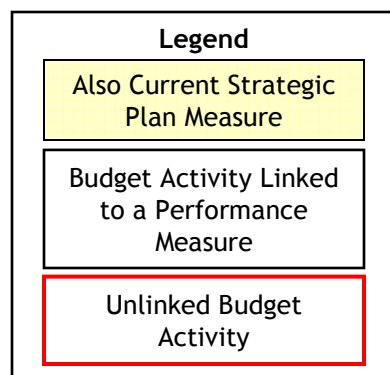
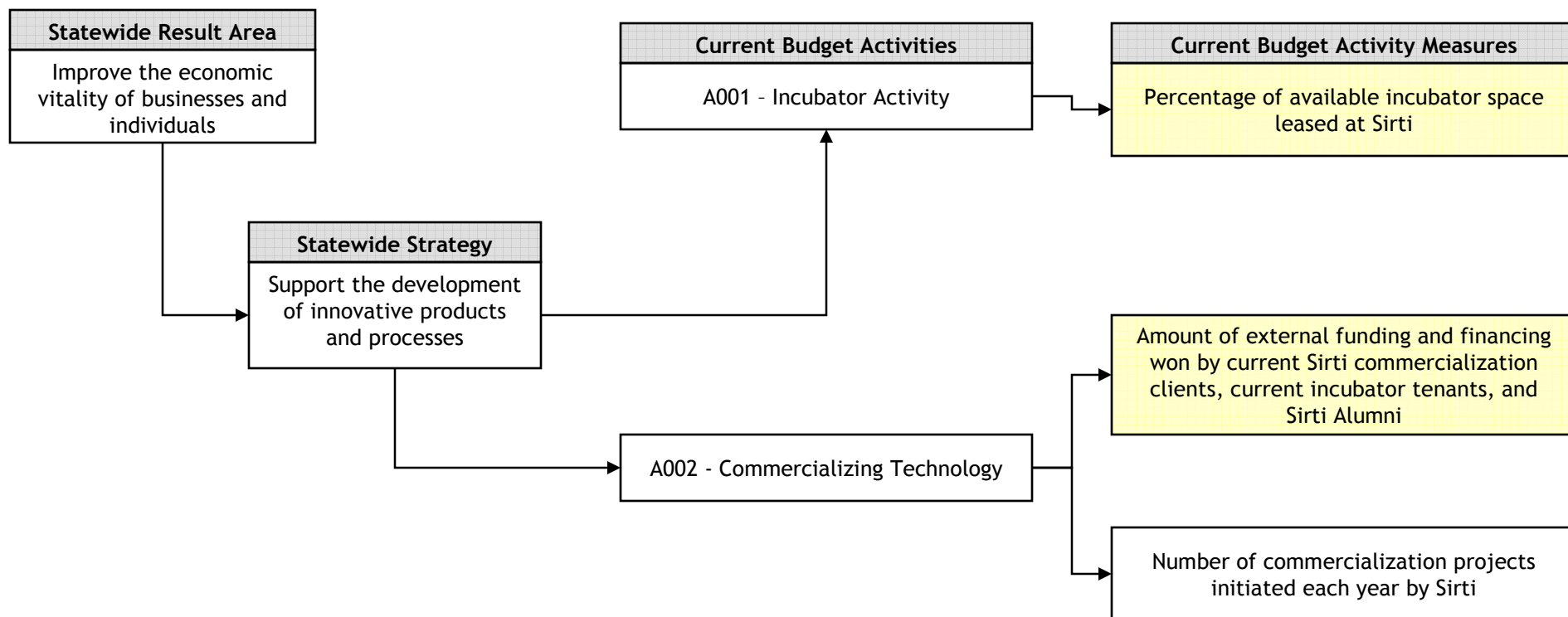
# Agency Comments and Future Actions 11/1/2006

- Sirti has been successfully working to enhance both the collection and analysis of key metrics identified in our current strategic plan.
- We are pleased with our Incubator Activity metrics and recent results - >80% occupancy in our two facilities, 22 client tenants including 8 new start-up companies added in 2006.
- In the Commercializing Technology area, we continue to make measurable progress at serving clients (>34 served for 2006 YTD) and are pleased with the Cumulative Add On investment from Sirti assisted companies (\$162M).
- We have additional work to do in collecting data from previous clients on jobs, payroll, sales growth and IP. Challenges in this area include the time it takes to contact companies, the changing structure of businesses over time and the cooperation needed from past clients who are not obligated to provide the requested data.
- Economic development metrics inherently have some limitations. Sirti's client work in some cases helps preserve existing jobs. A few small clients will sell inventions/IP which creates regional wealth but few direct jobs. Sirti facilitated networking may create economic synergy but is not directly measurable. Standards for employment multiplier impacts vary from agency to agency. We will continue to work with OFM and local and state economic development partners to improve our ability to measure our impact on the state economy.

# Overview of Sirti Strategic Planning & Performance Measure Alignment



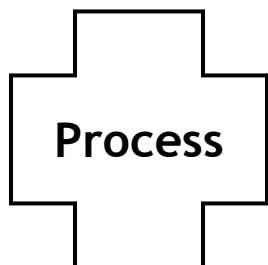
# Sirti Budget Activity & Performance Measure Linkages





# Sirti Strategic Plan and Activity Measure Perspectives

- ⑤ Process characteristics the customers/stakeholders want



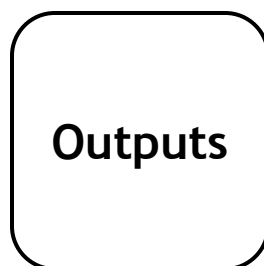
- ⑥ Process characteristics the agency wants

Square feet of incubator space leased and occupancy rate

Client and partner survey results

Duration of current clients staying at a Sirti incubator facility

- ③ Product/service attributes customers/stakeholders want

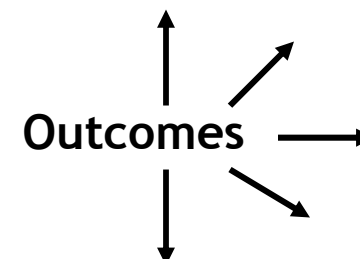


- ④ Product/service attributes the agency wants

Number of commercialization projects initiated each year by Sirti

Cumulative amount of federal, local, and private funding obtained by Sirti or the Sirti Foundation

- ① Customer/stakeholder desired outcomes



- ② Agency desired outcomes

Cumulative amount of private and public investment received by Sirti clients\*

Percentage of Sirti business clients who are still actively in business

Average annual increase in sales from Sirti clients (Dollars and percent)

Amount of FTE from current jobs associated with clients served by Sirti

Annual payroll from current jobs associated with clients served by Sirti

Cumulative number of patent applications, copyrights, and trade secrets held by Sirti clients

## Legend

Strategic Plan Measure

**Budget Activity Measure**

Strategic Plan and Budget Activity Measure

\* Normally an input or output measure, but used by Sirti as an outcome measure

# Existing Activity Measure Assessment — Incubator Space Occupancy Rate

**Performance Measure Description:** The occupancy rate of Sirti's business incubator spaces

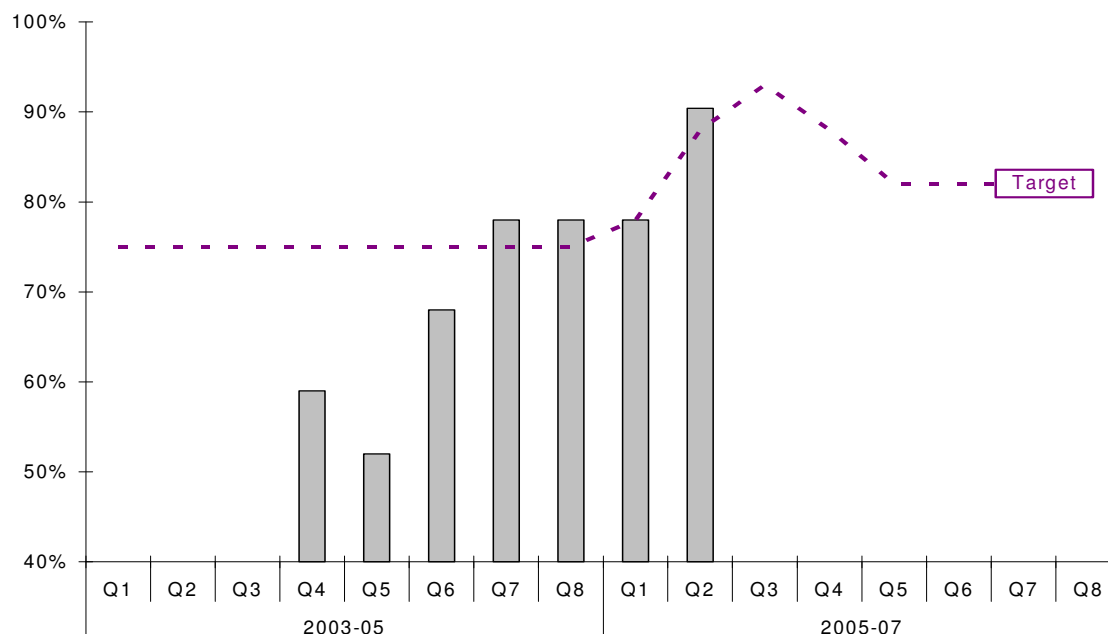
**Budget Activity Links:** A001 - Incubator Activity

**GASB Category of Measure:** A process-level measure of the incubator client management process.

**Analysis of Variation:** Very preliminary analysis indicates this may be a stable and predictable increasing trend.

**Analysis of Targeted vs. Actual Performance:** The target has been met or exceeded the last four quarters running.

The Percentage of Incubator Space Leased at SIRTl



## Comments About Desirable Characteristics

**Relevance:** O.K., but this is better as an internal management measure, than as a budget activity measure.

**Timeliness:** O.K. There is some time lag, because Sirti only has the capacity to collect this information on a quarterly basis.

**Understandability:** Good

**Reliability:** O.K. - As long as the measurement is taken the same time every quarter.

**Comparability:** Unknown - How does this compare to other business incubator occupancy rates in the area?

**Cost Effectiveness:** Data seem easy to gather and are also used for internal process management.

## General Comments & Explanations:

In 2006, the Sirti Technology Center facility came on line, increasing total incubator space from 12k sq. ft to 42k sq ft. The occupancy rate may drop in the short term because of this expansion.

## Existing Activity Measure Assessment – Funding & Financing

**Performance Measure Description:** No additional explanation is needed.

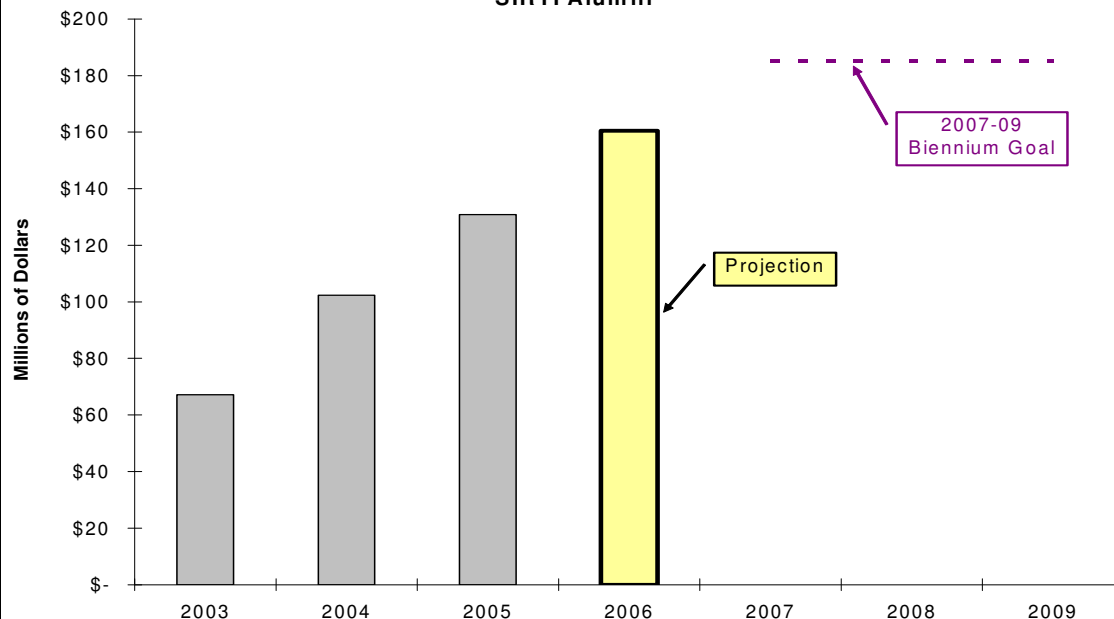
**Budget Activity Links:** A002 - Commercializing Technology

**GASB Category of Measure:** Normally an input, but used by Sirti as an outcome measure of clients' community economic contributions.

**Analysis of Variation:** No analysis possible because of the small number of data points and the cumulative/grouped nature of the data.

**Analysis of Targeted vs. Actual Performance:** It appears that the agency is on track to achieve it's goal in the 2007-09 biennium.

**CUMULATIVE** Amount of External Funding and Financing Won by Current Sirti Commercialization Clients, Current Incubator Tenants, and Sirti Alumni



### Comments About Desirable Characteristics

**Relevance:** O.K., but this is better as an internal management measure, than as a budget activity measure.

**Timeliness:** Data are only available once-a-year.

**Understandability:** The language is clear, but the cumulative nature of the data makes it more difficult to interpret for process management.

**Reliability:** This information is reported to Sirti by its clients and appears to be subject to interpretation and possible incomplete reporting.

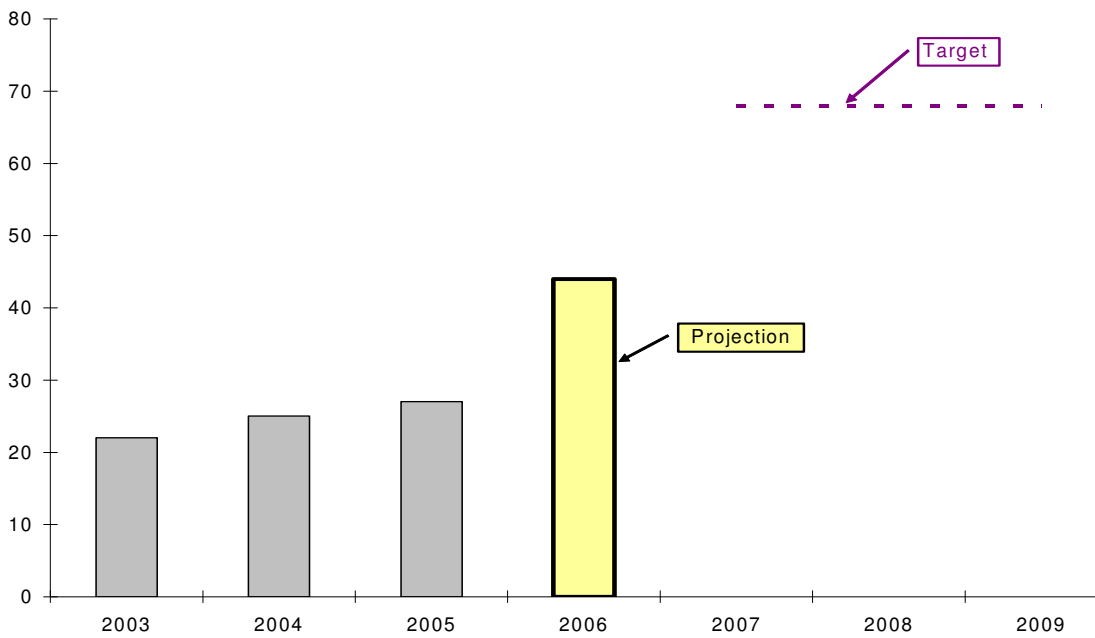
**Comparability:** Unknown - How does this compare to other start up funding/venture capital businesses?

**Cost Effectiveness:** Data seem easy to gather and are also used for internal process management.

### General Comments & Explanations:

Cumulative data does tell a story of progress over time, but can not be used for process management, because it masks the year-to-year variation. A companion chart showing the amount invested per year is suggested.

# Existing Activity Measure Assessment – Commercialization Projects

<b>Performance Measure Description:</b> “Commercialization” refers to technical business consultation with non-incubator start-up clients.	<div><p>The Number of Commercialization Projects Initiated Each Year by SIRTl</p><table><thead><tr><th>Year</th><th>Number of Projects</th><th>Type</th></tr></thead><tbody><tr><td>2003</td><td>22</td><td>Actual</td></tr><tr><td>2004</td><td>25</td><td>Actual</td></tr><tr><td>2005</td><td>27</td><td>Actual</td></tr><tr><td>2006</td><td>44</td><td>Projection</td></tr><tr><td>2007</td><td>-</td><td>-</td></tr><tr><td>2008</td><td>-</td><td>-</td></tr><tr><td>2009</td><td>-</td><td>-</td></tr></tbody></table></div>		Year	Number of Projects	Type	2003	22	Actual	2004	25	Actual	2005	27	Actual	2006	44	Projection	2007	-	-	2008	-	-	2009	-	-
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<b>Budget Activity Links:</b> A002 - Commercializing Technology.																										
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<b>Analysis of Variation:</b> No analysis possible because of the small number of data points																										
<b>Analysis of Targeted vs. Actual Performance:</b> The 2007-09 target is quite a stretch. It does not appear to be achievable without a major change to one of the process elements.																										
<b>Comments About Desirable Characteristics</b>																										
<b>Relevance:</b> O.K., but this is better as an internal management measure, than as a budget activity measure.	<b>Timeliness:</b> Data gathering techniques should be able to support a more frequent reporting cycle.	<b>General Comments &amp; Explanations:</b>  The target is based on receiving funding on a budget decision package to extend consultation services to other Eastern Washington communities.																								
<b>Understandability:</b> The term commercialization will always require definition as long as it is used in this context.	<b>Reliability:</b> Unknown																									
<b>Comparability:</b> Are there any other higher ed. consultation figures out there for benchmarking?	<b>Cost Effectiveness:</b> There is no evidence these data are used for internal process management.																									

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